GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA

UNSTARRED QUESTION NO:1991
ANSWERED ON:05.05.2016
Hybrid Till Model for Airports
Kodikunnil Shri Suresh

Will the Minister of CIVIL AVIATION be pleased to state:

(a) whether the Government has proposed to shift from a single till model presently in use, to a hybrid till model for all future airports making air travel costlier for the passengers;

(b) if so, the details thereof;

(c) whether airlines contend that hybrid till model would mean high airport charges, making a travel more expensive;

(d) if so, the details thereof; and

(e) whether the airports operators counter the claim of airlines saying that hybrid till is now most popular model globally and contrary to popular conception, airport charges at single till airports are not always lower and if so, the details thereof and the reaction of the Government thereto?

Answer

Minister of State in the Ministry of CIVIL AVIATION
(Dr Mahesh Sharma)

(a) & (b): Yes, Madam. The draft National Civil Aviation Policy envisages adoption of 30 percent hybrid till economic regulation at Indian airports for the purpose of determination of aeronautical tariff.

(c) to (d): The general perception of stakeholders including International Air Transport Association (IATA) against the hybrid till model is that there is a practical difficulty in segregating assets and expenses between aeronautical & non-aeronautical activities and there is no standard approach for fixation of the fraction of non-aeronautical revenue that should cross subsidize aeronautical expenses.

(e): As per airport operators, hybrid till approach captures the advantages of Single and Dual-Till approaches while avoiding the disadvantages as in the long run tariff under Hybrid Till tends to be lower because of incentive to airport for generation of higher non-aeronautical revenue for cross subsidization of aeronautical tariff.